



*Office of the United States Attorney  
District of Arizona*

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For Information Contact Public Affairs  
SANDY RAYNOR  
Telephone: (602) 514-7625  
Cell: (602) 525-2681

## **FORMER ARIZ. BOEING EMPLOYEES SENTENCED TO PRISON IN THEFT AND KICKBACK SCHEME**

PHOENIX – Patrick T. Buckner, 47, of Gilbert, and John E. Reagan, 65, of Mesa, both former employees of the Boeing Company's Mesa helicopter manufacturing facility, were sentenced to terms in federal prison today for numerous felonies stemming from a fraudulent scheme they devised that involved stealing and selling Boeing helicopter parts as well as receiving kickbacks.

After a lengthy jury trial in federal court in Phoenix, Buckner was convicted of 24 felony counts, including one count of conspiracy, 13 counts of wire fraud, two counts of mail fraud, one count of interstate transportation of stolen property and seven counts of money laundering. U.S. District Judge Earl H. Carroll sentenced Buckner to over three years (41 months) in prison, a \$50,000 fine and ordered \$140,000 forfeited to the United States. As a result of the same trial, Reagan was convicted of one count of conspiracy, four counts of wire fraud, one count of money laundering and one count of making false statements to the FBI. He was sentenced to two years in prison, fined \$25,000 and ordered to forfeit \$55,000 to the United States.

Buckner worked for Boeing from 1986 to 2000 and at Boeing's predecessor companies, Hughes Helicopter and McDonnell Douglas Helicopter Systems, from 1978 to 1986. From 1995 to 1999 Buckner was Boeing's manager of warranty and spare parts. Reagan was employed at Boeing and its predecessor helicopter manufacturing companies from 1983 to 2004. Reagan was Buckner's supervisor at times and was a department manager between 1992 and 1999. Buckner and Reagan used their positions to steal from Boeing by manipulating Boeing's spare parts tracking system and causing parts to be shipped to others without Boeing's knowledge. Those receiving the stolen parts paid kickbacks totaling hundreds of thousands of dollars to Buckner and Reagan for this illegal service. In addition, Buckner solicited non-Boeing repair centers to become Boeing authorized centers and extracted a fee from those who did so. Boeing estimated its losses at more than \$2 million.

The complex investigation was conducted by the Federal Bureau of Investigation. The prosecution was handled by Assistant U.S. Attorney Frank T. Galati, District of Arizona, Phoenix.

CASE NUMBER: CR-01-1104 PHX-EHC  
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